

AR48

Cominco Ltd.

69th Annual Report

1974





Cover

A Cominco miner attaches detonators to the electrical circuit of a pillar blasting operation, deep in the Sullivan Mine at Kimberley, B.C.

Principal Offices



COMINCO LTD.

- 1 Head Office – 200 Granville Square, Vancouver, British Columbia, V6C 2R2
- 2 Regional Offices – Western – Trail, British Columbia
 - Eastern – Toronto, Ontario
- 2 Research Centres – Trail, British Columbia
 - Sheridan Park, Ontario

SALES OFFICES

- 1 CANADA Cominco Ltd. – Vancouver, British Columbia
 - Calgary, Alberta
 - Winnipeg, Manitoba
 - Toronto, Ontario (including sales to United States)
- 14 U.S.A. Cominco American Incorporated – Spokane, Washington
- 20 EUROPE Cominco (U.K.) Limited – London, England
- 22 Cominco GmbH – Dusseldorf, West Germany

EXPLORATION OFFICES

- 1 CANADA Cominco Ltd. – Vancouver, British Columbia
 - Toronto, Ontario
- 14 U.S.A. Cominco American Incorporated – Spokane, Washington
- 26 AUSTRALIA Cominco Exploration Pty. Ltd. – Sydney, Australia
- 25 S. AFRICA Eland Exploration Pty. Ltd. – Springs, S. Africa
- 23 EUROPE Exploracion Minera Internacional (España) S.A. – Madrid, Spain

MINES

- 27 Aberfoyle – Tasmania
- 31 Arvik (Polaris) – Northwest Territories, Canada
- 13 Black Angel – Greenland
- 15 Brock – Montana, U.S.A.
- 10 Con – Northwest Territories, Canada
- 12 Fording Coal Limited – British Columbia, Canada
- 2 H.B. – British Columbia, Canada
- 16 Magmont – Missouri, U.S.A.
- 9 Pinchi Lake – British Columbia, Canada
- 11 Pine Point Mines Limited – Northwest Territories, Canada
- 5 Potash – Saskatchewan, Canada
- 23 Rubiales – Spain
- 24 S.C.E.D. – Central African Republic
- 3 Sullivan – British Columbia, Canada

METAL PRODUCTION

- 2 Cominco Ltd. – British Columbia, Canada
- 28 Cominco Binani Zinc Limited – Kerala State, India
- 30 Hawaiian Western Steel Limited – Hawaii, U.S.A.
- 21 Mazak Limited – England
- 29 Mitsubishi Cominco Smelting Company Limited – Naoshima Island, Japan
- 1 Western Canada Steel Limited – British Columbia, Canada
- 4 Western Canada Steel Limited – Alberta, Canada

METAL FABRICATION

- 14 Cominco American Incorporated – Washington, U.S.A.
- 8 The Canada Metal Company Limited – Ontario, Canada
- 7 National Hardware Specialties Limited – Ontario, Canada

CHEMICAL and FERTILIZER PRODUCTION

- 2/3 Cominco Ltd. – British Columbia, Canada
 - 4 – Alberta, Canada
- 18 Camex, Inc. – Texas, U.S.A.
- 17 Cominco American Incorporated – Nebraska, U.S.A.
- 28 Cominco Binani Zinc Limited – Kerala State, India

Highlights - 5 Year

(all dollar amounts in millions except per share statistics)

OPERATIONS	1974	1973	1972	1971	1970
Gross sales of products and services	\$781.9	\$514.0	\$372.9	\$369.6	\$368.5
Earnings before tax	195.4	95.0	39.0	25.0	41.9
Income and resource taxes	93.2	45.5	15.1	7.5	11.2
Minority interests	1.8	5.6	3.4	4.4	6.7
Equity in net earnings (losses) of associates	2.2	(1.1)	0.6	0.5	0.9
Net earnings	86.3	42.8	20.0	16.7	25.0
Dividends	50.9	21.2	13.5	11.7	23.4
Earnings reinvested	35.4	21.6	6.5	5.0	1.6
FINANCIAL POSITION					
Working capital	\$160.4	\$156.1	\$106.9	\$101.7	\$87.9
Fixed assets (net)	370.3	368.8	356.3	344.6	325.9
Total assets	765.7	673.2	570.8	554.4	498.4
Long-term debt	138.1	146.5	118.2	110.5	89.6
Shareholders' equity	382.2	346.9	325.2	311.1	305.4
PER SHARE STATISTICS					
Net earnings	\$5.08	\$2.52	\$1.19	\$1.00	\$1.50
Dividends	3.00	1.25	0.80	0.70	1.40
Shareholders' equity	22.52	20.44	19.17	18.63	18.29
OTHER STATISTICS					
Number of employees	12,381	11,129	10,739	10,584	10,157
Number of shareholders (1)	30,769 (2)	31,701	35,434	37,631	39,110
Number of shares outstanding (1)	16,969,953	16,969,953	16,969,953	16,698,583	16,698,583
Capital expenditures	\$91.0	\$63.8	\$55.4	\$44.9	\$38.4

Note: (1) Cominco Ltd.

(2) 94% of the shareholders were Canadian registrants and held 97% of the shares issued.

Tonnage figures in short tons unless otherwise noted.
 Figures in parentheses are for 1973.
 Dollars are Canadian unless otherwise noted.



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OUTPUT OF PRINCIPAL PRODUCTS

YEAR	ZINC Tons 1000's	LEAD Tons 1000's	Ores & Concentrates Produced for Sale Tons 1000's	Silver Ozs. 1000's	Fertilizers Inc. Potash Tons 1000's
1894-1969	6,980	8,009	1,349	426,925	18,754
1970	222	219	391	6,045	1,074
1971	211	191	275	5,560	1,090
1972	243	203	226	6,949	1,139
1973	248	202	293	9,629	1,666
1974	162	129	539	6,621	1,478
1894-1974	8,066	8,953	3,073	461,729	25,201

69th Annual Report of the Directors

TO THE SHAREHOLDERS

In 1974 your Company's net earnings were \$86.3 (\$42.8) million on sales of \$781.9 (\$514.0) million and dividends were \$50.9 (\$21.2) million. This performance was the result of contributions from new operations, strong markets and reduction in inventories which compensated in part for the interruptions to production due to strikes and for the onerous taxation imposed by some taxing authorities.

Mineral exploration, one of the keys to your Company's future, was increased in regions where political and economic conditions are favourable to mining. In 1974, \$20 million was invested in such programs of which 60% was in Canada primarily in the Northwest and Yukon Territories. Major programs were also in progress in the United States, Australia, Mexico, South Africa and Spain. Active exploration is now being carried on in promising areas of the Philippines, Brazil, Italy, Germany, Greece, Norway and the United Kingdom. Our overseas exploration has been outstanding and has proven the applicability of techniques and concepts developed in Canada to other environments. The discovery of the Mackintosh orebody in Tasmania, Australia, is of considerable significance and important mineralized areas were also found in the Canadian North and in Europe.

Demand and prices for fertilizers were strong throughout the year. Metal prices were most satisfactory during 1974 but demand eased somewhat at the end of the year. In keeping with our traditional practice domestic markets received priority but appropriate advantage was taken of the generally higher prices prevailing offshore.

Over the years, your Company has diversified its products and locations. The improved stability provided by this strategy was demonstrated in 1974 when some of our mining and production facilities in British Columbia were closed during a four month strike.

Cominco American had an outstanding year with sales up 44%. Pine Point also made a major contribution as a result of a 55% increase in the revenue from concentrate sales. Contributing factors were full production, higher prices and some reduction in inventories. The Black Angel Mine in Greenland was notably successful in its first full year of operation with total sales of \$36.3 million. The Aberfoyle group in Australia contributed \$28.3 million to sales and our associated Indian and Japanese smelters both performed well.

The strikes at some of our British Columbia and United States operations resulted in a loss of more than three million man hours.

The British Columbia and Saskatchewan governments levied additional punitive royalties and taxes on top of existing mining and income taxes. The Federal Government in its 1974 budget denied the normal practice of deducting provincial taxes and royalties on mining when computing taxable income. The impact of these actions is to raise the combined income and resource taxes markedly. For example, in British Columbia these combined taxes would amount to 68%. The uncertainties caused by the taxation policies of the two levels of government have made long-term planning extremely difficult. Your Company has joined seventeen other mining firms in pressing an action in the Supreme Court of British Columbia to test the validity of the new tax legislation in that province.

In the United Kingdom, economic and political uncertainties caused suspension of the zinc refinery project in northeast England. We acquired 17% of the shares of Tara Exploration and Development Company Limited which has important zinc-lead reserves at Navan in Ireland. Development of this property was delayed because a dispute between Tara and the Government over the terms of the mining lease was not resolved until early in 1975. Orderly development to bring

the property into production is expected to be resumed shortly.

Because of the long-term importance of the Valley Copper deposit in central British Columbia, we took advantage of an opportunity to acquire an additional 194,000 shares of this company during the year and a further 961,000 shares early in 1975, bringing our interest to 81%. We continued our participation in the oil and gas exploration activity of Panarctic Oils Ltd. in the Canadian high Arctic.

Other major capital projects undertaken during the year included:

Carseland Ammonia-Urea Complex, Alberta

Site preparation and equipment commitments.

New Acid Plant, Trail

Construction.

Con Mine, N.W.T.

Shaft sinking.

Pine Point Mine, N.W.T.

Acquisition of Conwest reserves.

West Kootenay Power, B.C.

Distribution lines extension.

Zinc Plant, Trail

Continuing modernization.

Polaris Mine, N.W.T.

Exploration and feasibility study.

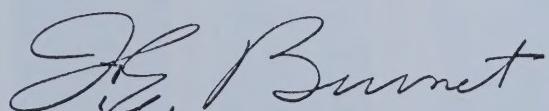
Total capital expenditures in 1974 exceeded \$90 million and at year end unexpended appropriated capital funds were in excess of \$140 million.

Mr. William Moodie of Montreal was elected to fill the vacancy on the Board of Directors caused by the resignation of the Honourable Duff Roblin, whose contribution to the Company is greatly appreciated. During the year Mr. R. J. Armstrong, Vice-President, retired after nearly forty years of valued service. Mr. R. G. McEachern was appointed Vice-President, Exploration and Mr. W. G. Wilson was appointed Vice - President, Finance and Accounting.

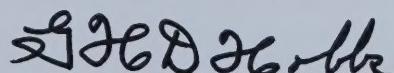
In recent years your annual report has featured different aspects of the Company. This year we wish to recognize the important contributions made by the people associated with Cominco and its subsidiaries in many parts of the world. Through their energy and ability, the Company's capital is invested to the best advantage of the shareholders, employees and customers. In its worldwide activities, the Cominco group of companies now has more than 50,000 shareholders, many of whom are among our approximately 2,500 pensioners and 12,000 employees. Of the 8,000 employees at the operations of Cominco Ltd., 1,300 have thirty or more years of service and 2,700 have been with the Company for more than twenty years — an invaluable core of talent and experience.

To ease the impact of inflation on the pensioners of Cominco Ltd., we adjusted the pensions of all employees who retired before 1971.

The report this year is presented on a geographical basis. Illustrations show the international and diversified nature of our activities.



F. E. BURNET,
Chairman and Chief Executive Officer



G. H. D. HOBBS,
President

Vancouver, British Columbia
March 14, 1975



Long Service Employees



A. A. Baldassi
Trail - 46 years



V. Berno
Trail - 45 years



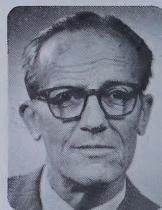
E. B. Broadhurst
Trail - 45 years



H. G. Bryant
Kimberley - 45 years



N. D. Cooke
Trail - 45 years



J. Craig
Trail - 45 years



C. J. Decembrini
Trail - 46 years



W. E. Dobbs
Trail - 45 years



W. Forrest
Trail - 48 years



G. Franco
Trail - 46 years



P. E. Glover
Trail - 45 years



J. A. Jarrett
Trail - 46 years



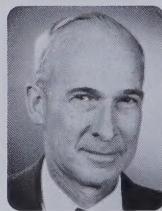
E. Leschiutta
Trail - 45 years



J. W. McDicken
Trail - 45 years



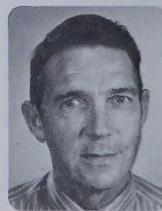
J. McGowan
Kimberley - 47 years



D. W. McKenzie
Trail - 46 years



H. T. Ommanney
Vancouver - 45 years



D. C. Repton
Trail - 45 years



J. Scott
Kimberley - 47 years



G. Shaw
Trail - 45 years



W. L. Stone
Kimberley - 47 years

BRITISH COLUMBIA

Production at Trail, Kimberley and the H. B. Mine at Salmo was adversely affected by labour disturbances and as a result statistical information is not comparable with that of the previous year. Essential repair work, which was required after the lengthy shutdown, compounded the effect.

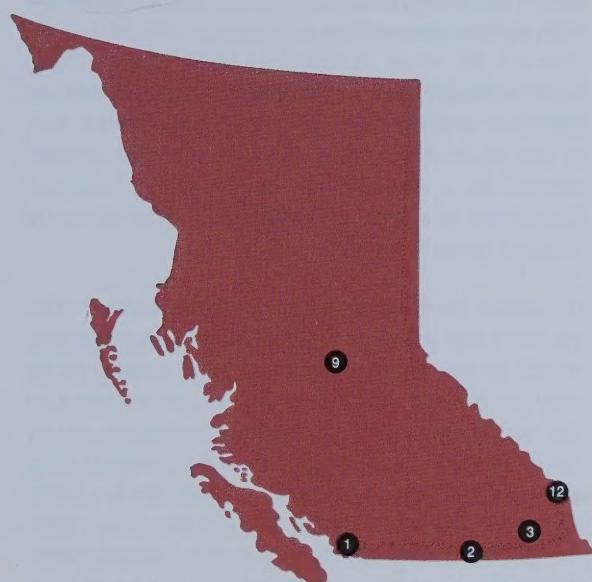
Personnel shortages, particularly skilled trades, persisted at most operations throughout much of the year. There was a noticeable improvement during the last quarter. Our long standing apprentice program assisted significantly in alleviating these shortages.

At the Sullivan Mine, problems associated with the production of hot, oxidizing ore from certain underground pillars continued but were successfully handled. A major study is underway to develop more flexible mining methods which should relieve this problem and improve underground efficiencies. Installation of new equipment and major rehabilitation of haulage facilities at the H. B. Mine made it possible to keep the concentrator in continuous operation with only one shift underground.

Sales of electronic materials at \$10 million were the same as in 1973. A prototype plant, using a Cominco-developed process to recover arsenic from antimonial lead, began operation at Trail and resulted in an increase in high purity arsenic production. A first-stage expansion of the high purity metals plant is expected to be operational by mid-1975.

Construction was started on a new sulphuric acid plant at Trail. The unit which will improve operating efficiencies should be completed by mid-1975.

Total generation from the five hydroelectric plants of Cominco Ltd. on the Kootenay and Pend-d'Oreille Rivers was 4.0 (4.45) billion kilowatt



hours. When available, power surplus to Canadian requirements, was sold to utility companies in the United States. An agreement was signed with British Columbia Hydro and Power Authority covering the integrated operation of the Company's generating facilities on the Kootenay River and those of Hydro, particularly Hydro's new Kootenay Canal plant.

Our coal interests are held through CanPac Minerals Limited and Fording Coal Limited, both of which we manage. Fording Coal operates a large metallurgical coal mine and plant at Elkford in southeastern British Columbia.

Both companies' income improved from increased prices for coal. Fording earnings were \$1.2 million

Canada (cont'd.)

as against a loss of \$5.9 million in 1973. In recognition of the growing importance of coal for generating electric power, CanPac Minerals is accelerating its pre-production development work on thermal coal properties in Alberta.

Environmental matters continued to receive close attention and required increased time on the part of an expanding group of skilled technical personnel. As a direct result of the strike, pollution abatement projects at Trail and Kimberley were delayed several months.

In certain working areas of our Trail lead smelter, we have not yet been able to develop methods by which we can meet all the provincial standards for lead in the atmosphere. However, to ensure that our employees suffer no harmful exposure, safety measures are taken at all times and regular specialized medical examinations have shown these measures to be successful over the last forty years. In spite of our efforts, increased assessments under the Workers' Compensation Act have been levied against the Company.

The Company is cooperating fully with the Federal Government in a lead absorption study which has been initiated in the Trail area. Our own extensive tests over many years show that no health hazard from lead exists to the residents of the district.

Mercury hygiene at Pinchi Lake continued to be excellent. No health problems have been experienced in the six years since the plant started.

As part of our ongoing environmental program, our research group is carrying out tests with established and new methods aimed at the further removal of heavy metal from mine effluents.



Miners discuss blasting procedures at Pinchi Lake.

At Trail, planned maintenance programs ensure maximum production.

Casting bars in the silver refinery at Trail.



WEST KOOTENAY POWER & LIGHT COMPANY, LIMITED

This subsidiary operates its own generating and distribution facilities and supplies electrical power for 64,000 consumers. Capital expenditures of \$2.4 (\$2.0) million were required to serve its growing market. Net earnings were \$1.12 (\$1.05) million and total energy sales were 1092 (1040) million kilowatt hours.



WESTERN CANADA STEEL LIMITED AND SUBSIDIARY HAWAIIAN WESTERN STEEL LIMITED

Consolidated sales were \$69.5 (\$34.9) million and all plants operated at full capacity. These companies produce a wide range of rolled steel products, industrial fasteners and forgings for the construction and manufacturing industries in Western Canada and steel reinforcing bars for Hawaii.



PACIFIC COAST TERMINALS CO. LTD.

Net earnings were \$345,000 (\$298,000). Total cargo handled was 4.4 (4.0) million tons, a new record. The Port Moody bulk loading terminal was responsible for most of the increase. Facilities are being enlarged by the addition of 60,000 tons of storage capacity which will meet the growing requirements of sulphur shippers.

Restoration test plot at Fording.

High precision analytical equipment - Trail research.

Geologists discuss a technicality in the H. B. Mine.

Canada (cont'd.)



YUKON - NORTHWEST TERRITORIES

Aggressive exploration programs were carried on in selected areas of both territories resulting in acquisition of several new properties. Diamond drilling on the Bathurst Norsemines Ltd. property, near Bathurst Inlet, again added substantially to our zinc-lead-copper-silver potential there.

Feasibility studies were completed on the high-grade Polaris Mine deposit on Little Cornwallis Island and showed that commercial production at this northern location is economic under appropriate conditions. Discussions are currently underway with the Federal Government to resolve problems related to the further development of this project.

At the Con Mine production was somewhat below forecast because of shortages of qualified miners and inadequate transportation facilities within the mine. The 1974 exploration program was most successful and ore reserves increased to an all-time high. To capitalize on these new reserves and to improve underground productivity, work was started, from the surface, on a new shaft to the 5,800 foot level. At year end, the shaft had reached the 2,500 foot level and is expected to be completed by mid-1976.

Net earnings of Pine Point Mines Limited for 1974 were \$36.9 (\$20.6) million on sales of \$126.5 (\$85.2) million.

Pine Point acquired the Conwest orebody, which lies four miles west of the concentrator. Indicated reserves are 1.4 million tons of 11.5% zinc-lead. This purchase, together with the ore found by the exploration program reported last year, replaced the metal mined.

Tonnage milled at Pine Point was well above the 10,000 tons per day rated capacity of the concentrator and approximately 200 tons per day came from the underground mining test program. This program will produce about 1,200 tons per day or 10% of the total feed when it reaches full capacity early in 1975. Production from the nine operating pits was 4.1 (3.9) million tons at a combined grade of 7.9% (8.9%) zinc-lead. The grade of ore mined was below the level of the previous year because lower grade material was deliberately processed on account of higher metal prices.

Labour availability, particularly for skilled trades, was extremely tight until mid-year. Thereafter, there was some improvement. Our policy of providing broader job opportunities for women resulted in a significant number being employed in operations.



ALBERTA, SASKATCHEWAN AND MANITOBA

Sales of our chemical and fertilizer products have been administered from Calgary since the company's fertilizer operations commenced in 1931. Our sales organization includes 250 independent fertilizer dealers. Cominco also owns 66 plants for blending bulk fertilizers located in key centres in the Prairie provinces.

The Calgary ammonia plant operated well throughout the year.

Contracts were awarded for the construction of a large ammonia-urea fertilizer complex near Carseland, Alberta. The new plant will cost an estimated \$125 million and will have an annual capacity of 400,000 tons of ammonia, of which

approximately 275,000 tons will be used in the production of 480,000 tons of urea. Nearly 40% of the output has been committed under long-term sales contracts and the balance will be distributed through our dealer organization in nearby agricultural markets. Design and procurement of equipment is well advanced, plant site and access roads have been prepared and construction will begin in the spring of 1975. The facility is expected to be in production by the end of 1976.

Early in the year, at our Saskatchewan potash operation, a serious fire in the concentrator caused extensive damage to electrical and instrument control equipment and resulted in a three month shutdown. The loss was covered by insurance.



Skilled vehicle operator at Pine Point.



An artist's conception of urea-ammonia fertilizer complex, Carseland, Alberta.

Canada (cont'd.)



ONTARIO

At the Product Research Centre, Sheridan Park, a lead-alloy, sheet-casting process developed for use in maintenance-free batteries is finding increasing acceptance. Sales of Korloy foundry alloy and extruded zinc products showed good growth. Encouraging progress was made in the development of commercial thermoforming techniques for superplastic zinc alloys and an active marketing program is under way.

At National Hardware Specialties Limited, the overall sale of zinc diecast products to its three major market segments — automotive, industrial and hardware — expanded considerably. Production levels in the three plants reached record highs and sales were \$10.7 (\$8.7) million.

The Canada Metal Company Limited had a good year with consolidated sales of \$57.1 (\$41.1) million. The company produces a wide range of non-ferrous metal products in plants across Canada. Although difficulties were encountered in obtaining skilled labour in some areas, facilities operated close to capacity. A program, commenced in 1973, to install additional pollution control equipment in the Toronto plant, was completed early in the year.



Plating zinc diecastings at National Hardware.

Finishing diecastings at National Hardware.

Thermoforming press for superplastic zinc alloys at Sheridan Park.



Ore Reserves



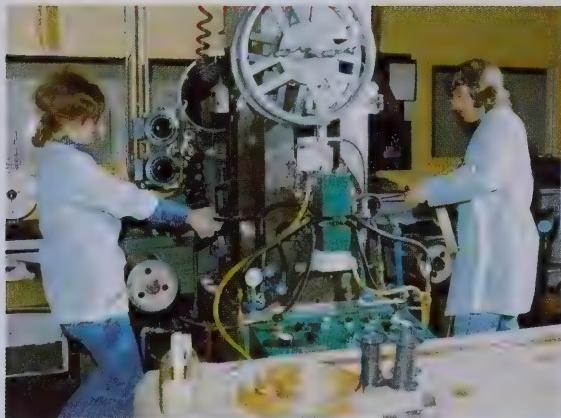
ZINC-LEAD ORE RESERVES

Measured and Indicated	1974		1973	
	Ore Tons	Zinc-Lead Tons	Ore Tons	Zinc-Lead Tons
B.C. Sullivan { H.B.	60,000,000	6,500,000	62,000,000	6,700,000
N.W.T. Pine Point	40,000,000	3,100,000	38,000,000	3,100,000
U.S.A. Magmont	11,000,000	1,100,000	12,000,000	1,100,000
GREENLAND Black Angel	3,800,000	790,000	4,900,000	970,000
SPAIN Rubiales	8,000,000	930,000	8,000,000	930,000
Potential				
N.W.T. Polaris	25,000,000	4,700,000	25,000,000	4,700,000

OTHER ORE RESERVES

Measured and Indicated	1974		1973	
	Ore Tons		Ore Tons	
GOLD - N.W.T. Con { Rycon {		Gold Oz.		Gold Oz.
	1,600,000	980,000	1,200,000	740,000
MERCURY - B.C. Pinchi Lake		Mercury Flasks		Mercury Flasks
	1,300,000	110,000	1,600,000	120,000
TIN - AUSTRALIA Aberfoyle { Ardlethan { Cleveland {		Tin Tons		Tin Tons
	5,600,000	41,000	7,000,000	52,000
PHOSPHATE ROCK - U.S.A. Brock { Douglas {		P.O. Tons		P.O. Tons
	19,800,000	6,100,000	19,000,000	5,700,000
COAL - B.C. Fording		Clean Coal Long Tons		Clean Coal Long Tons
		55,000,000		52,000,000
- ALTA. & SASK. CanPac		Coal Long Tons		Coal Long Tons
	1,600,000,000			1,200,000,000
POTASH - SASK. Vade	<i>— 100 years at full production —</i>			
Potential				
COPPER - B.C. Valley Copper	800,000,000	Copper Tons		Copper Tons
		3,800,000	800,000,000	3,800,000

United States



1. High precision rolling mill operators, electronic materials.

2/3. Quality control analysts, electronic materials.



In December, a United States court ruled against the Environmental Protection Agency's planned elimination of lead from gasoline. This decision strongly endorses the position of the industry that lead in gasoline does not present a hazard to health.

COMINCO AMERICAN INCORPORATED

Consolidated sales of Cominco American Incorporated were \$170.9 U.S. (\$118.5) million. Of this amount, Magmont Mine accounted for \$24.4 (\$12.7) million, phosphate rock for \$2.2 (\$2.3) million, electronic materials for \$10.8 (\$10.5) million and fertilizer for \$133.5 (\$93.0) million.

At Spokane, Washington, a program of expansion of the electronic materials production facilities was initiated to meet the growing market. A new production unit was completed in September and a second, now under construction, is expected to be in operation by mid-1975.

The 50% owned Magmont Mine at Bixby, Missouri, operated by Cominco American, produced 1,042,000 (934,000) tons of ore at a combined lead-zinc grade of 8.2% (8.3%). Successful exploration



maintained the metal content of ore reserves. The Brock Mine in Montana produced 271,000 (226,000) tons of phosphate rock which was sold to Cominco Ltd. for processing at its Kimberley, British Columbia fertilizer plant. A program was initiated to test the feasibility of reopening the Douglas phosphate mine in Montana.

Chemical fertilizers produced totalled 539,000 (561,000) tons. Of this amount Camex, Inc. produced 368,000 (397,000) tons of ammonia in its plant at Borger, Texas. The Homestead plant near Beatrice, Nebraska, maintained its ammonium nitrate output at 171,000 (164,000) tons in spite of a seven-week strike.

An extensive exploration program was undertaken in many areas of the continental United States and Alaska. Wide-spread and low-grade zinc ore continued to be outlined in a broad drilling program in Kentucky. Initial feasibility studies were underway at year end to review possible underground exploration in this area. Elsewhere, exploration continued in the central United States and in Washington. Exploration for gas and oil carried on in New Mexico and Texas has been encouraging.



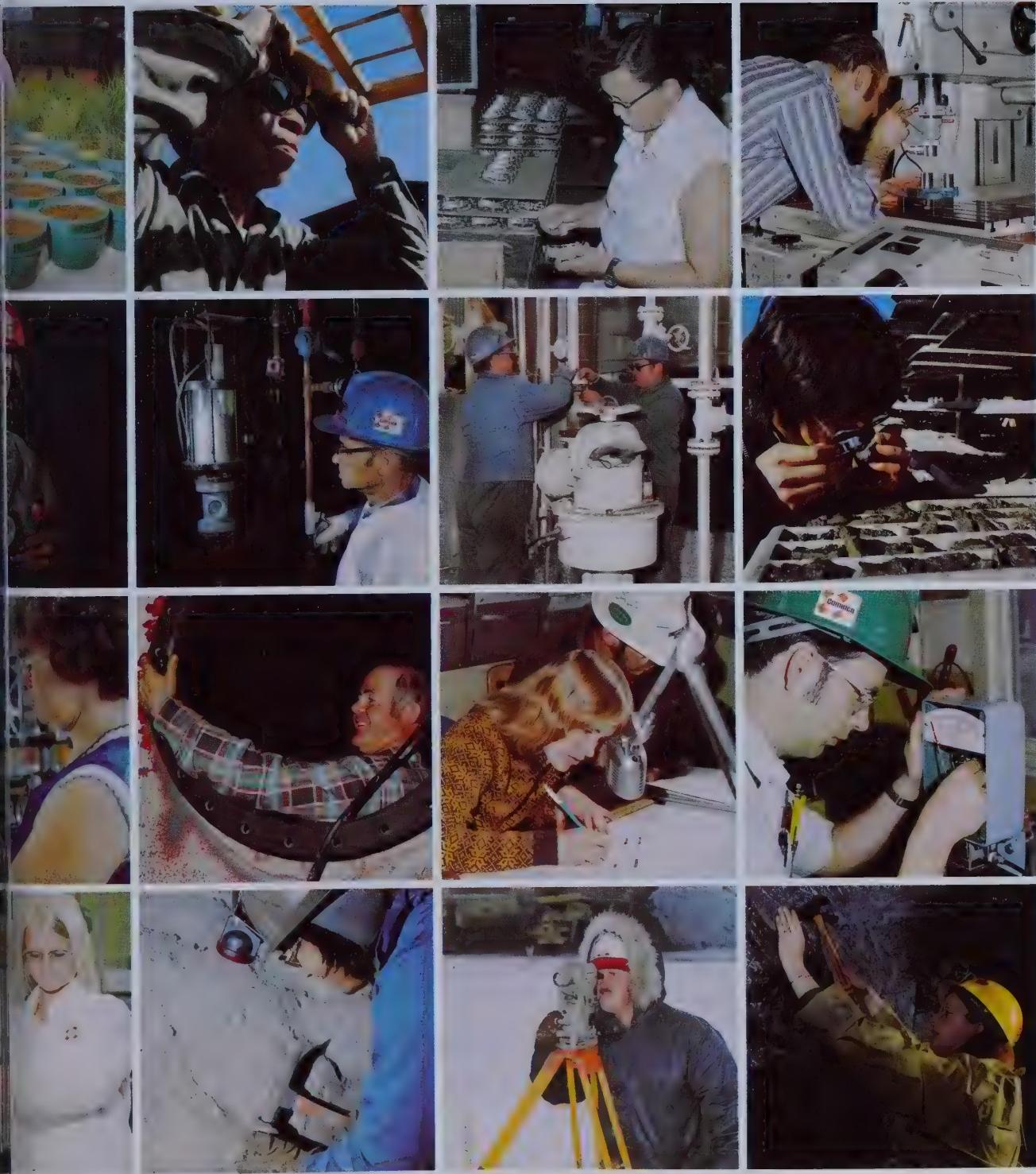
Technicians monitor vessel temperatures at Camex.

Loading anhydrous ammonia at Homestead.

Operator at Hawaiian Western Steel.

People





Other International Activities

VESTGRON MINES LIMITED AND SUBSIDIARY GREENEX A/S

Net earnings for 1974 were \$10.3 million on sales of \$36.3 million. The Black Angel Mine in Greenland, at latitude 71°N, successfully completed its first full year of operation. Concentrates produced from 575,000 metric tons of ore from the Angel zone totalled 168,000 metric tons of zinc and 37,000 metric tons of lead. Concentrates were shipped between July and November.

The mine and mill are now staffed and operated almost entirely by Danish and Greenlandic personnel with limited technical and administrative support by Cominco.

A start was made on a 6,000-foot drift from the Angel zone to explore and develop the Cover ore zone which lies to the east and is not included in ore reserve calculations. This drift will be completed in 1975.



Cableway operator, Black Angel Mine.

COMINCO EUROPE NV AND EXPLORACION MINERA INTERNACIONAL (ESPANA) S.A. (EXMINESA)

In September, it was announced that the Rubiales zinc-lead property in northern Spain would be brought into production. The mine and concentrator are expected to be operating by mid-1977 and will produce annually 115,000 metric tons of zinc concentrate and 15,000 metric tons of lead concentrate from 730,000 metric tons of ore.

By the year end, site preparation and design were well advanced and a good start had been made on the main shaft. The project is expected to cost \$43 million and is being financed by share subscriptions and term bank loans.

In other areas of Spain, Exminesa continued exploration of promising zinc-lead properties.



Artisans screening gravel for diamonds.

Geologist explores diamond bearing alluvial deposits.



SOCIETE CENTRAFRICAINE D'EXPLOITATION DIAMANTIFERE (S.C.E.D.)

S.C.E.D. holds permits for the exploration and mining of diamonds in alluvial deposits in the Central African Republic. During 1974, diamonds totalling 55,000 carats were produced by local artisans with assistance of S.C.E.D. owned equipment and marketed by S.C.E.D. Exploration was started in the permit areas held directly by the company.

COMINCO (U.K.) LIMITED, COMINCO GmbH AND MAZAK LIMITED

Mazak is a major manufacturer and marketer of zinc alloys for diecastings in the United Kingdom. Cominco (U.K.) and Cominco GmbH market Cominco Ltd. metals in the United Kingdom and Europe respectively. All three performed well.

Other International Activities (cont'd.)



Aberfoyle Mine - Rossarden, Tasmania.

COMINCO AUSTRALIAN PTY. LTD. AND SUBSIDIARY ABERFOYLE LIMITED

The Aberfoyle group produces tin, tungsten and gold and had consolidated sales of \$28.3 (\$18.4) million. Most of the increase was due to improved metal prices.

Operations were generally satisfactory in spite of labour shortages and disputes. Erosion of earnings resulted from higher income taxes and increased labour costs.

Reserves discovered through exploration offset the amount of ore mined. Because of increased production costs, some 1.5 million tons of previous ore reserves had to be excluded from this year's estimates as currently uneconomic. The Mackintosh, a high grade zinc-lead-copper-silver orebody in Tasmania, discovered during the year, has a most promising and important potential. A major drilling program is planned for 1975 to outline known ore occurrences and to test the structures for extensions.

COMINCO BINANI ZINC LIMITED

The performance of this associate company, in India, showed a marked improvement over the previous year. The plant has nearly 600 employees and produces zinc and sulphuric acid from a variety of imported concentrates. Refined zinc production was 11,032 (12,125) tons.

MITSUBISHI COMINCO SMELTING COMPANY LIMITED

In spite of marketing difficulties this associate company, in Japan, maintained stable production at 39,400 (39,400) tons of lead. Declining domestic sales necessitated the export of 15,200 tons. Concentrate continues to be supplied entirely from Pine Point.

COMPANIA MINERA CORONADO S.A.

Underground testing is underway at the Los Verdes copper-molybdenum prospect in Sonora, Mexico, which is held by Coronado, a Mexican associate company. Elsewhere in Mexico, exploration continued on a number of interesting copper properties.

Mine Production



PRODUCING MINES

Location	Mine	Product	1974		1973	
			Ore Produced Tons	Grade	Ore Produced Tons	Grade
B.C.	Sullivan	Zinc-Lead	1,416,000	8.6%	2,214,000	10.0%
	H.B.	Zinc-Lead	256,000	4.8%	352,000	5.3%
	Pinchi Lake	Mercury	173,000	—	163,000	—
	Fording	Coal	2,226,000	—	2,447,000	—
N.W.T.	Pine Point	Zinc-Lead	4,135,000	7.9%	3,896,000	8.9%
	Con/Rycon	Gold	145,000	0.60 oz.	169,000	0.56 oz.
SASK.	Potash	K ₂ O	1,713,000	25.6%	1,910,000	26.0%
U.S.A.	Magmont	Lead-Zinc	1,042,000	8.2%	934,000	8.3%
	Brock	P ₂ O ₅	271,000	29.1%	226,000	29.4%
GREENLAND	Black Angel	Zinc-Lead	634,000	23.4%	175,000	22.9%
AUSTRALIA	Aberfoyle	Tin-Tungsten	46,000	1.0%	62,000	1.0%
	Cleveland	Tin-Copper	347,000	1.0%	348,000	1.2%
	Golden Plateau	Gold-Silver	39,000	1.0 oz.	36,000	1.1 oz.
	Ardlethan	Tin	496,000	0.57%	488,000	0.54%

Metal and Chemical Production

METAL PRODUCTION

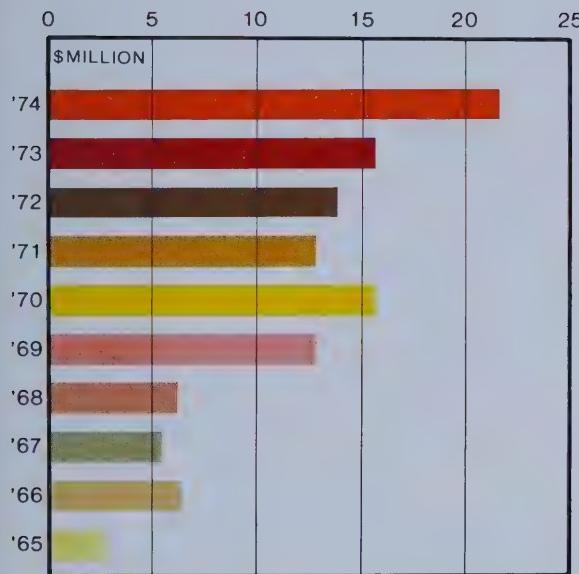
			1974	1973
Zinc	Tons		162,000	248,000
Lead	Trail	Tons	95,000	172,000
	Magmont	Tons	34,000	30,000
			129,000	202,000
Silver	Ozs.		6,621,000	9,629,000
Gold	Ozs.		103,000	114,000
Cadmium	Lbs.		899,000	1,153,000
Bismuth	Lbs.		220,000	124,000
Antimonial Lead	Tons		244	830
Indium	Ozs.		259,000	681,000
Mercury	Flasks		14,000	12,500
Tin*	Tons		3,723	3,750
Tungsten*	Tons		167	300
Steel	Tons		203,000	197,000

*Metal content of concentrates

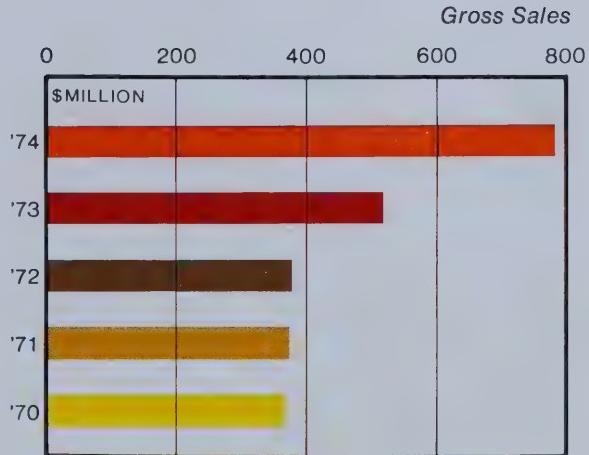
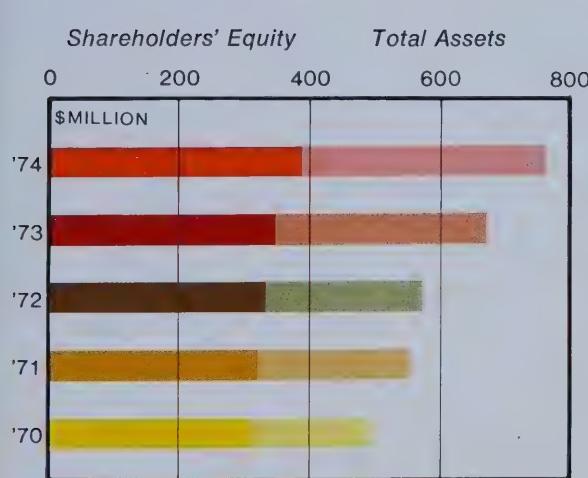
PLANT FOOD & CHEMICAL PRODUCTION

	1974 Tons	1973 Tons
Chemicals & Fertilizers		
Canada	583,000	758,000
United States	464,000	489,000
Potash		
Canada	601,000	617,000
Total	1,648,000	1,864,000

Graphs



Capital Expenditures



Thorne
Riddell
& Co.

Thorne Gunn & Co.
Riddell, Stead & Co.

CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Shareholders of
Cominco Ltd.

We have examined the consolidated balance sheet of Cominco Ltd. as at December 31, 1974 and the consolidated statements of earnings, earnings reinvested in the business and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at December 31, 1974 and the results of their operations and the changes in their financial positions for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Thorne Gunn eto

Chartered Accountants

Vancouver, B.C.
February 22, 1975

OFFICES THROUGHOUT CANADA AND ASSOCIATES THROUGHOUT THE WORLD

Consolidated Statement of Earnings

Year ended December 31, 1974

(Thousands of dollars)	1974	1973
REVENUE		
Sales of products and services	\$781,898	\$513,986
Income from investments	10,773	3,817
	792,671	517,803
COSTS AND EXPENSES		
Cost of products and services	424,891	284,599
Distribution	65,912	53,801
Selling	11,771	10,149
General and administrative	22,285	18,359
General mineral exploration	6,771	2,447
Long-term debt interest and expense	13,797	9,784
Depreciation, depletion and amortization	51,814	43,632
	597,241	422,771
Earnings before the following	195,430	95,032
Taxes on income including resource taxes	93,200	45,500
	102,230	49,532
Minority interests in net earnings of subsidiaries	18,160	5,587
	84,070	43,945
Equity in net earnings (losses) of associated companies	2,217	(1,110)
NET EARNINGS	\$ 86,287	\$ 42,835
EARNINGS PER SHARE	\$ 5.08	\$ 2.52

Consolidated Statement of Earnings Reinvested in the Business

Year ended December 31, 1974

(Thousands of dollars)	1974	1973
Amount at beginning of year	\$313,861	\$292,237
Net earnings	86,287	42,835
	400,148	335,072
Dividends – \$3.00 per share (1973 – \$1.25)	50,907	21,211
Amount at end of year	\$349,241	\$313,861

Consolidated Balance Sheet

(Thousands)

	1974	1973
CURRENT ASSETS		
Cash and short-term investments	\$ 98,912	\$ 82,280
Accounts receivable	89,651	71,846
Inventories (Note 2)	117,065	93,884
Prepaid expenses	3,461	1,936
	<u>309,089</u>	<u>249,946</u>
INVESTMENTS (Note 3)		
Associated companies	35,723	30,855
Other companies	36,830	9,333
	<u>72,553</u>	<u>40,188</u>
FIXED ASSETS		
Land, buildings and equipment	516,795	491,384
Less accumulated depreciation	228,493	205,802
	<u>288,302</u>	<u>285,582</u>
Mining properties and development	143,318	133,486
Less accumulated depletion	61,291	50,221
	<u>82,027</u>	<u>83,265</u>
	<u>370,329</u>	<u>368,847</u>
OTHER ASSETS (Note 4)	<u>13,746</u>	<u>14,248</u>
	<u>\$765,717</u>	<u>\$673,229</u>

December 31st, 1974

(dollars)

	1974	1973
CURRENT LIABILITIES		
Bank loans	\$ 1,695	\$ 1,090
Accounts payable and accrued liabilities	78,483	64,059
Income taxes	56,387	23,895
Long-term debt due within one year	<u>12,160</u>	<u>4,768</u>
	148,725	93,812
LONG-TERM DEBT (Note 5)	138,080	146,483
INCOME TAXES PROVIDED FOR BUT NOT CURRENTLY PAYABLE	51,871	46,660
MINORITY INTERESTS	44,798	39,411
SHAREHOLDERS' EQUITY		
Capital		
Authorized – 20,000,000 shares of no par value		
Issued and fully paid – 16,969,953 shares		
(Note 6)	33,002	33,002
Earnings reinvested in the business	349,241	313,861
	382,243	346,863
COMMITMENTS AND CONTINGENT LIABILITIES (Note 7)		
	<u>\$765,717</u>	<u>\$673,229</u>

Approved by the Board:

J.E. Burnet } Directors
LHDZwolk

Consolidated Statement of Changes in Financial Position

Year ended December 31, 1974

(Thousands of dollars)

	1974	1973
SOURCE OF WORKING CAPITAL		
Net earnings	\$ 86,287	\$ 42,835
Add: Depreciation, depletion and amortization	51,814	43,632
Income taxes not currently payable	4,829	5,403
Minority interests in net earnings of subsidiaries	<u>18,160</u>	<u>5,587</u>
Funds from operations	161,090	97,457
Adjustments to income taxes currently payable	—	6,235
Additional long-term debt	5,867	33,180
Other	<u>2,434</u>	<u>7,798</u>
	<u>169,391</u>	<u>144,670</u>
APPLICATION OF WORKING CAPITAL		
Investments	31,849	5,762
Land, buildings and equipment	42,592	42,192
Mining properties and development	16,584	15,796
Repayments on long-term debt	14,271	4,936
Dividends – to shareholders	50,907	21,211
– to minority shareholders of subsidiaries	<u>8,958</u>	<u>5,513</u>
	<u>165,161</u>	<u>95,410</u>
Increase in working capital	4,230	49,260
Working capital at beginning of year	<u>156,134</u>	<u>106,874</u>
Working capital at end of year	<u>\$160,364</u>	<u>\$156,134</u>

Notes to Consolidated Financial Statements

1. Summary of significant accounting policies.

a) Principles of consolidation.

The consolidated financial statements include the accounts of Cominco Ltd. (the Company) and all its subsidiaries. The Company follows the equity method of accounting, including in earnings its share of the earnings and losses of associated companies in which it owns 50% or less of the shares but over which it nevertheless has substantial influence.

b) Translation of foreign currencies into Canadian dollars.

Current assets and liabilities are translated at rates of exchange in effect at the end of the year; all other assets and liabilities are translated at historical rates.

c) Fixed assets, depreciation and depletion.

Expenditures on "Land, buildings and equipment" are recorded at cost less amounts realized on sales. When such expenditures have been fully depreciated, it is the practice to write off the recorded cost against the depreciation accumulation so that only costs not fully depreciated are carried on the balance sheet. It is not generally the practice to record gains or losses on abandonment, suspension in the use of, or disposition of fixed assets.

Plant expenditures are depreciated over their estimated economic lives. Because of the wide range of economic lives of the integrated mining and manufacturing facilities of the Company and its Canadian subsidiaries, expenditures on these facilities are pooled and depreciated on a straight line basis over thirteen years. Expenditures on the potash mine are depreciated on a straight line basis over twenty years. Other subsidiaries depreciate fixed asset expenditures over the estimated economic lives of the individual facilities and reflect gains or losses on sales and abandonments. Expenditures on general mineral exploration are charged against earnings as incurred. Expenditures to investigate identified properties and to develop mines are capitalized as "Mining properties and development" and these expenditures, together with the cost of certain investments in mining companies, are amortized against earnings by charges for depletion based on the companies' overall mineral resource position.

d) Inventories.

Inventories of raw materials and products are valued generally at the lower of cost (determined on the monthly average method) and net realizable value.

Inventories of stores and operating supplies are valued at cost less appropriate allowances for obsolescence.

e) Pensions.

Pension costs for current service are charged to earnings on a current basis. The liability for past service is being funded and charged to earnings over the period until 1991 (See Note 7).

f) Foreign Withholding Tax.

Withholding taxes, where applicable, on earnings of foreign subsidiaries are accounted for when dividends are paid by the subsidiaries.

g) Reclassification.

Certain reclassifications have been effected. In all cases comparative figures for 1973 conform with the 1974 presentation.

2. Inventories.

	1974 (thousands)	1973
Raw materials and products	\$ 88,098	\$72,008
Stores and operating supplies	28,967	21,876
	<u>\$117,065</u>	<u>\$93,884</u>

3. Investments.

	1974 (thousands)	1973
a) Associated companies on an equity basis:		
Shares having no quoted market value, at cost less recoveries	\$ 29,200	\$25,603
Equity in undistributed earnings (losses)	334	(1,133)
	<u>29,534</u>	<u>24,470</u>
Advances	6,189	6,385
	<u>\$ 35,723</u>	<u>\$30,855</u>
b) Other companies		
Shares, at cost:		
Panarctic Oils Ltd.	\$ 10,469	\$ 8,483
Tara Exploration and Development Company Limited	26,877	—
Other companies, at cost less amounts written off and amounts realized on sales:		
Quoted market value \$2,265,000 (1973 - \$2,558,000)	2,972	3,137
No quoted market value	1,649	1,664
Advances	444	617
	<u>42,411</u>	<u>13,901</u>
Less accumulated depletion of mineral investments	5,581	4,568
	<u>\$ 36,830</u>	<u>\$ 9,333</u>

4. Other assets.

	1974 (thousands)	1973
Potash mine rehabilitation costs (see below)	\$ 10,156	\$10,156
Deferred financing costs	2,344	2,433
Sundry	1,246	1,659
	<u>\$ 13,746</u>	<u>\$14,248</u>

Rehabilitation of the potash mine following the flooding in 1970 was completed in 1973. Legal counsel have advised that, in their opinion, there are good grounds for establishing liability against the contractors and legal proceedings are in progress to recover the loss.

5. Long-term debt.

	1974	1973
	(thousands)	
Canadian companies:		
Cominco Ltd.		
8½ % Sinking fund debentures due 1991	\$ 65,000	\$ 65,000
West Kootenay Power and Light Company Limited		
5¾ % First mortgage bonds due 1985	7,252	7,750
Bank loan to be refinanced in 1975	6,200	4,350
Pacific Coast Terminals Co. Ltd.		
Bank loan due 1975 to 1978	2,000	2,500
Other	3,807	1,541
	84,259	81,141
Companies in the U.S.A., payable in U.S. funds		
Cominco American Incorporated		
5½ % and 6¾ % Notes due 1975 to 1980	8,316	9,900
Camex, Inc.		
7% Notes due 1975 to 1984	13,217	14,680
	21,533	24,580
Companies in Australia, payable in Australian funds	872	2,022
Company in Denmark		
Greenex A/S		
Bank loans (including U.S. \$19,000,000) due 1975 to 1979 with interest at 1¼% above quoted Euro-currency rate	41,572	41,964
	148,236	149,707
Less portion due within one year	12,160	4,768
	136,076	144,939
Add net unrealized gain on translation of foreign currencies	2,004	1,544
	\$138,080	\$146,483
Payments due in 1975 are \$12,160,000; 1976 \$11,504,000; 1977 \$13,152,000; 1978 \$12,521,000; 1979 \$17,753,000.		

6. Capital stock.

100,000 shares of the Company have been reserved for a stock option plan in favour of certain executives in the full-time employment of the Company or a subsidiary. At December 31, 1974 options, which expire on April 30, 1979, had been granted for 22,900 shares at \$25.42 per share.

7. Commitments and contingent liabilities.

- a) At December 31, 1974 guarantees and commitments were as follows:
 - (1) Guarantees outstanding amounted to \$35,000,000 of which \$26,000,000 is for bank loans of Fording Coal Limited.
 - (2) Bank loans to be incurred by Exploración Minera Internacional (España) S.A. will be guaranteed by the Company to the extent of U.S. \$20,000,000.
 - (3) Unexpended amounts remaining on approved major capital projects \$141,000,000.

- b) Actuarial estimates of the unfunded liability for past service under the pension plans of the Company and its subsidiaries at December 31, 1974, amounted to \$24,000,000 which is being provided for and paid over the period from 1974 to 1991 inclusive. In respect of the Company, the estimate relates retirement benefits to final earnings in 1980 or on retirement, whichever first occurs, with the intention that the date will be extended annually; such extensions may increase the unfunded liability. The date of the last independent actuarial valuation of the pension plans of the Company was August 31, 1974.

8. Directors' and officers' remuneration.

In 1974 total remuneration of \$96,000 was paid to fourteen (all) directors and \$905,000 to fifteen (all) officers of the Company including relatively insignificant amounts paid to them by subsidiaries. There were four officers who were also directors.

9. Subsequent event.

On January 16, 1975, the Company agreed to sell to underwriters \$60,000,000 principal amount of 10% Sinking Fund Debentures due February 15, 1995 for a consideration of \$59,040,000.

Principal Active Subsidiaries and Associate Companies

	COMINCO OWNERSHIP		HEAD OFFICE
Arvik Mines Ltd.	75%	R. P. Douglas <i>President</i>	Yellowknife N.W.T.
Bathurst Norsemines Ltd. (NPL)	28%	P. Fristad <i>President</i>	Vancouver British Columbia
The Canada Metal Company Limited	50%	C. Smith <i>President and General Manager</i>	Toronto Ontario
CanPac Minerals Limited	40%	M. N. Anderson <i>President and Chief Executive Officer</i>	Calgary Alberta
Cominco American Incorporated	100%	J. C. MacLean <i>President and Chief Executive Officer</i>	Spokane Washington, U.S.A.
Camex, Inc.	100%	L. D. Demand <i>President</i>	Borger Texas, U.S.A.
Cominco Australian Pty. Ltd.	100%	G. N. Moore <i>Chairman</i>	Sydney Australia
Aberfoyle Limited	55%	J. K. Connor <i>Chairman</i>	Melbourne Australia
Cominco Binani Zinc Limited	40%	G. Binani <i>Chairman</i>	Calcutta India
Cominco Europe N.V.	100%	W. H. C. Schukking <i>Managing Director</i>	Amsterdam Netherlands
Exploración Minera Internacional (España) S.A. (Exminesa)	47%	R. S. Jiménez <i>Chairman</i>	Madrid Spain
Cominco GmbH	100%	H. von Mejer <i>Managing Director</i>	Dusseldorf West Germany
Cominco (U.K.) Limited	100%	D. M. Silver <i>Managing Director</i>	London England
Mazak Limited	50%	M. P. Chandler <i>Managing Director</i>	Bristol England
Fording Coal Limited	40%	M. N. Anderson <i>President and Chief Executive Officer</i>	Trail British Columbia
Mitsubishi Cominco Smelting Company Limited	45%	T. Takata <i>President</i>	Tokyo Japan
National Hardware Specialties Limited	99%	W. J. McDonald <i>President</i>	Dresden Ontario
Pacific Coast Terminals Co. Ltd.	78%	W. W. Brown <i>President</i>	New Westminster British Columbia
Panarctic Oils Ltd.	9%	C. R. Hetherington <i>President and Chief Executive Officer</i>	Calgary Alberta
Pine Point Mines Limited	69%	J. H. Salter <i>President</i>	Pine Point N.W.T.
Rycon Mines Limited	76%	J. M. B. Scarborough <i>President</i>	Yellowknife N.W.T.
Société Centrafricaine d'Exploitation Diamantifère (SCED)	60%	A. E. Jolis <i>President</i>	Bangui The Central African Republic
Tara Exploration and Development Company Limited	17%	M. McCarthy <i>President</i>	Toronto Ontario
Valley Copper Mines Limited (N.P.L.)	72%	S. M. Rothman <i>President</i>	Trail British Columbia
Vestgron Mines Limited	62%	O. E. Owens <i>President</i>	Yellowknife N.W.T.
Greenex A/S	62%	E. Dragstedt <i>Chairman</i>	Umanak Greenland
Western Canada Steel Limited	100%	M. C. D. Hobbs <i>Chairman and Chief Executive Officer</i>	Vancouver British Columbia
Hawaiian Western Steel Limited	51%	C. C. Smith <i>General Manager</i>	Ewa Hawaii
West Kootenay Power and Light Company, Limited	100%*	W. K. Gwyer <i>President and Chief Executive Officer</i>	Trail British Columbia

*100% Common
25% Preferred

Directors and Officers

DIRECTORS

*W. J. BENNETT, *President*
Iron Ore Company of Canada, Montreal

H. C. BENTALL, *Chairman and Chief Executive Officer*
The Dominion Construction Co. Ltd., Vancouver

*F. S. BURBIDGE, *President*
Canadian Pacific Limited, Montreal

*F. E. BURNET, *Chairman and Chief Executive Officer*
Cominco Ltd., Vancouver

*H. T. FARGEY, *Executive Vice-President, Administration and Marketing*
Cominco Ltd., Vancouver

*G. H. D. HOBBS, *President*
Cominco Ltd., Vancouver

R. A. MacKIMMIE, Q.C., *Partner*
Law firm of MacKimmie Matthews, Calgary

*D. R. McMASTER, Q.C., *Partner*
Law firm of McMaster, Meighen, Minnion, Patch,
Cordeau, Hyndman & Legge, Montreal

H. M. PICKARD, *Chairman and Chief Executive Officer*
Marathon Realty Company Limited, Calgary

S. E. NIXON, *Corporate Director and Financial Consultant, Montreal*

W. MOODIE, *President*
Canadian Pacific Investments Limited, Montreal

*I. D. SINCLAIR, Q.C., *Chairman and Chief Executive Officer*
Canadian Pacific Limited, Montreal

THE HONOURABLE JAMES SINCLAIR, P.C., *Chairman*
Lafarge Canada Ltd., Vancouver

W. J. STENASON, *Executive Vice-President*
Canadian Pacific Investments Limited, Montreal

*Member of Executive Committee

OFFICERS

F. E. BURNET, *Chairman and Chief Executive Officer*

G. H. D. HOBBS, *President*

I. D. SINCLAIR, Q.C., *Vice-President*

H. T. FARGEY, *Executive Vice-President, Administration and Marketing*

J. H. SALTER, *Executive Vice-President, Operations*

J. F. M. DOUGLAS, *Vice-President, Eastern Region*

A. V. MARCOLIN, *Vice-President, Western Operations*

R. G. McEACHERN, *Vice-President, Exploration*

E. A. MITCHELL, *Vice-President, Pacific Region*

S. M. ROTHRMAN, *Vice-President at Vancouver*

W. G. WILSON, *Vice-President, Finance & Accounting*

M. H. MASON, *General Counsel*

P. C. STEWART, *Secretary*

M. A. MADLEY, *Treasurer*

H. T. OMMANNEY, *Comptroller*



TRANSFER AGENTS

THE ROYAL TRUST COMPANY

555 Burrard Street, Vancouver, B.C. V6B 3R7
600 - 7th Avenue S.W., Calgary, Alberta T2P 0Y6
630 Dorchester Blvd. W., Montreal, Quebec H3B 1S6
One King Street, Saint John, N.B. E2L 1G1

CANADA PERMANENT TRUST COMPANY

1901 Yonge Street, Toronto, Ontario M4S 1Y8

BANK OF MONTREAL TRUST COMPANY

2 Wall Street, New York, N.Y. 10005

REGISTRARS

MONTREAL TRUST COMPANY

Vancouver, Calgary, Montreal, Saint John

CROWN TRUST COMPANY, TORONTO

CHEMICAL BANK, NEW YORK

For Canadian capital gains tax purposes the valuation day value of Cominco Ltd. shares on December 22, 1971, as established by the Department of National Revenue was \$22.88 (Canadian).

